

Draft Action/Summary Minutes
City of Sedona
Housing Commission Meeting
Vultee Conference Room, Sedona City Hall, Sedona, AZ
Monday, May 3, 2010 – 5:00 p.m.

1. Verification of Notice, Call to Order, Pledge of Allegiance and Roll Call

Vice Chairman Moriarty called the meeting to order at 5:00 p.m.

Roll Call:

Commissioners: Chairman Linda Martinez - arrived at 5:04 p.m., Vice Chairman Sandy Moriarty and Commissioners Natalia Molina McKendry, Karen von Merveldt-Guevara, Patti Prince and Helen Snyder. Gene Snyder - excused

Staff: Audree Juhlin and Donna Puckett

Council Liaison: Councilor Dan Surber

2. Commission and Staff announcements

Audree Juhlin indicated she had sent the Commissioners an email about the ADU Ordinance being featured as a success story in *The Arizona Collaborative Clearinghouse*.

3. Approval of the April 5, 2010 minutes

Vice Chairman Moriarty asked if there was a motion to approve the minutes of April 5th.

MOTION: Commissioner Prince moved to approve the minutes as they stand. Commissioner von Merveldt-Guevara seconded the motion. VOTE: Motion carried five (5) for and zero (0) opposed. (Martinez not present, Gene Snyder excused)

4. Public Forum for items not listed on the agenda--limit of three minutes per presentation (Note that the Commission may not discuss or make decisions on any matter brought forward by a member of the public)

The Vice Chairman opened the public forum and having no requests to speak, closed the public forum.

Note: Chairman Martinez joined the Commission at this time.

5. Discussion/possible action regarding assisting staff in updating the Community Plan's Housing Element including current conditions and related key issues

Commissioner Helen Snyder distributed copies of a handout with a chart showing rental trends and indicated that she had devised a questionnaire, but decided to collect some data before talking to the rental agencies. For the data, she is using an Excel spreadsheet and collecting data twice a week from the Sedona Red Rock News and two online sources, Foothill Property Management and Sedona Elite Properties. The data covers five types of rentals; houses, condos, apartments, mobile homes and rooms, and she is looking for trends. The Commissioner indicated there may have been an anomaly in the second week, possibly because one of the websites wasn't current, but over time she will see if that repeats. From the data, she created charts and most of the units are houses and

the number of houses is increasing, and then condos and apartments are about even. There are very few mobile homes for rent, but there are quite a number of rooms.

The Commissioner indicated that rather than track each unit by what they are asking, she grouped them by choosing the dollar values shown on the 2nd page, such as house rentals equal to or above \$5,000. For example, \$1995 would be included in the \$1,500 to \$2,000 grouping, and she has seen some downward movement among properties in the four weeks she has been doing this, but it is not sizable enough for her to track.

The Commissioner then explained that she crosses out all of the newspaper listings for Cottonwood, Rimrock, Clarkdale, etc. The websites only have listings for Sedona and the Village of Oak Creek, and those are the two websites advertised in the newspaper. She looked at a couple of other websites, but one was chiefly Village listings. She plans to track the listings for a few months, to keep the data current.

Commissioner von Merveldt-Guevara suggested checking Craig's List, because that is where you can get the independent ones; it is under Flagstaff, but they say Sedona. Commissioner McKendry added that they can be sorted by Sedona, price, number of rooms, etc. Commissioner Helen Snyder confirmed with Commissioner von Merveldt-Guevara that these would be owners that are going through Craig's List rather than through a property rental agency and Vice Chairman Moriarty noted the other way they are listed is through a regular ad in the newspaper. Chairman Martinez indicated another source would be Sedona Property Management and Vice Chairman Moriarty suggested Sedona Rentals. Chairman Martinez added that the Commissioner could call Greg Luckey at Sedona Rentals for additional information.

Commissioner Helen Snyder noted that there are quite a large number of rentals ranging from \$1,500 to \$2,000, and then between \$2,000 and \$3,000, so the middle section of the range has the biggest number. Vice Chairman Moriarty indicated it would be interesting to know how many are at the low of \$500, and Commissioner Helen Snyder stated it was very few. The Commissioner explained that she is also counting casitas as houses, because they are like small houses that say 1-bedroom, 1-bath. Also, these are long-term unfurnished or furnished rentals; however, the websites do give a 3-month special for the summer.

Audree Juhlin asked if the spreadsheet includes the property management information and the newspaper listings, and Commissioner Helen Snyder indicated yes. Audree then asked if the Commissioner was able to ensure there weren't duplications, and Commissioner Helen Snyder indicated no, because there are no pictures in the newspaper; however, she thinks most people who list in the newspaper wouldn't also list with a property manager, because there is a fee for both. On the websites, she only found a couple that were listed under both furnished and unfurnished, and then she chose to count them one way or the other. In general, it is pretty clean for the counts and she is looking at the websites for that moment in time, so they may have the same data they had earlier. She is not collecting data as far as how long a property has been listed. Audree pointed out that a call to Greg Luckey might provide some information on that.

Commissioner Helen Snyder indicated that the questionnaire she created has 10 questions, asking if they keep metrics by year, by season; do they keep records, files; have they seen a change in the number or type of properties listed in the past year, 2 years, 4 years; is the rental inventory up over the past year, 2 years, 4 years; which was the greatest increase in type - houses, apartments, duplexes or manufactured homes; are they still accepting properties; do most rental listings rent by the year, multiple years, months; what is the current average asking rent, and is there any metric they keep that we might be interested in that she hasn't asked about? She suspects that as houses do

not sell, there will be more rentals available, and the housing market had the big tax benefit through the end of April, so there may be a lot more properties come on the market, now that the incentive is gone. It will be interesting to see if we see a spike in the numbers of rentals.

The Commissioner indicated when they rented about 4 years ago, prior to moving to Sedona, there wasn't much selection; now, there are many more houses. Chairman Martinez indicated that Greg previously indicated that owners used to increase the rents periodically, but now the owners are asking him to decrease the rents periodically, because they are trying to hang onto their homes by renting them until the prices go up. Commissioner Helen Snyder noted that they are offering signing bonuses on the websites, with one-half of a month's rent off if you sign a lease. There are a lot of perks being offered; for example, if you take a long-term rental, they will furnish it. The Chairman indicated that the Northern Interfaith Council was told that if somebody lost their job in the Sedona area, the first thing they are told is that they need to live in Cottonwood, because they are able to really negotiate the rents there, like under \$650 for a family, whereas in Sedona, they have very little movement.

Commissioner Helen Snyder indicated that the Village of Oak Creek properties are very creative in the options they are offering, but they aren't counted in the Sedona data. The Chairman asked if we should be counting those and Audree Juhlin agreed that the Housing Commission may be wise to consider regional trends, including the Village of Oak Creek. Commissioner Helen Snyder pointed out that it was clear in the last meeting that the Village of Oak Creek was not Sedona, so she didn't include that data. Audree clarified that it shouldn't be included in the compilation of the data for Sedona, but it should be included in a regional database showing Camp Verde, Cottonwood, etc. Commissioner Prince offered to compile the data for the Village of Oak Creek and Commissioner Helen Snyder indicated she would send her a copy of the Excel spreadsheet. Audree added that the Commission should also do the other areas of the Verde Valley.

Commissioner von Merveldt-Guevara reported that she ran into obstacles in trying to address the foreclosure issue; there is the ICRIS government website for Yavapai County, but she has to find the same for Coconino County, and then she has to determine what is actually Sedona. Additionally, the office of the mortgage agent she planned to talk to has been closed. On the ICRIS website, you see foreclosed properties that are held by banks, but they are like the Bank of NY. Vice Chairman Moriarty pointed out that the Bank of NY is the bank that bought out Desert Hills Bank, so it is now local, and Chairman Martinez added that there are a couple of realtors that had information on that. Audree indicated that she will provide Kim King's number at the Board of Realtors to Commissioner von Merveldt-Guevara.

Audree Juhlin distributed copies of an article in the *Planning Commissioners Journal* titled "Future Housing Demand:" and indicated that it is at a broad level, but timely for the Community Plan update and it has some good information and recommendations. Commissioner Helen Snyder asked if there was any way of determining if there are new rentals from ADUs and Audree indicated yes and she can start sending the Commission that information.

Commissioner McKendry indicated that when she was last here, she had indicated that she wasn't interested in doing what she was initially assigned, but she would help with the overall development or presentation of the Housing Element, because she didn't think the former one flowed well, but in her absence, she was assigned the economic conditions; however, she thought the Economic Planner could quickly address that, so she is open to a different task. Audree explained that the format component that Commissioner McKendry volunteered for is being addressed by a P&Z working team, but the Commissioner is welcome to attend those meetings and provide input. Another suggestion would be compiling the rental information for the remainder of

the Verde Valley. The Chairman pointed out that would be Clarkdale, Cottonwood, Camp Verde, Rimrock and Lake Montezuma, but not the Yavapai-Apache Nation. The Commissioner indicated she would do that and asked that the information on the planning still be sent to her.

Commissioner Prince indicated she hadn't been able to work on the accomplishments yet, and the Chairman likewise indicated that she hadn't been able to do her task either, but she is concerned about the timeframe, because the public meetings are coming up. Audree explained there is no way the Housing Commission would be able to present anything; the meetings start next Monday, but we can indicate that the Commission is in the process of retrieving current and previous data to trend that information. We can also ask what would be helpful to the community as we move forward.

Commissioner von Merveldt-Guevara indicated that she didn't know if it would be of interest, but different banks have different approaches with the loan modifications now; for example, Chase doesn't want to do anything about the principal, but they are willing to help with the mortgage payments, while others will discuss the principal. It is a matter of finding the right person to help you, but she doesn't know if there is anything in the City that people could turn to for information. Chairman Martinez explained that it would have to be what we could provide as a resource, because the City is at the bare bones. Audree indicated if there is a federal-level loan modification program, we could link to that. The Recording Secretary noted that a recent announcement indicated that the federal incentive had been extended, so it may be something to check. Commissioner von Merveldt-Guevara explained that with the application for loan modification, you just have to come in within a certain income versus the price of the house and not go under half of what the monthly mortgage payment is, and that is figuring like a third of your income, so people who declare not enough income or too much income are out of the game.

Audree Juhlin provided Commissioners McKendry, Prince and Helen Snyder a publication called "State at a Glance for the Last Few Years" that was from the Governor's Conference, because it might be helpful as they do their research. Commissioner McKendry indicated that she has the information on the working team meetings, so that doesn't need to be sent to her; however, she is also interested in the Public Participation working team meeting, because she would like to see outreach done with the Hispanic community. Audree indicated she would provide the Commissioners with that information and asked that they let her know if they are interested in attending, so it can be noticed.

Commissioner Helen Snyder referenced an article on Forbes.com that had an interesting paragraph about Flagstaff that said, "Smaller metros like Flagstaff, Arizona are expected to see home prices drop 13% in the next year. In these smaller places, the economy can cause big ripples", so it is an estimate that says they are going to go down further. Vice Chairman Moriarty pointed out that while that is close to home, Sedona tends to be different. Commissioner Helen Snyder agreed, but indicated it is an informed indicator that this isn't over yet. The local paper indicated that home sales are up, but the prices are so down, of course they are up; you have to read the articles very carefully or you could come to the wrong conclusion. The Commissioner then referenced rumors that the Council is interested in discontinuing the Housing Commission, but to her this is a time when the Commission is important, to make sense out of what is happening. We may never have this again, but whatever smarts we can gain from it could be very useful for the future. You don't realize the importance of the present, until it becomes the past. The Chairman agreed that as a City that wants to plan responsibly, we need this information, but she wouldn't assume anything from rumors, because they are just that.

Audree Juhlin indicated that if the Commission would like, she could take the Governor's information to put a broad picture together for the public meetings, to explain that this is Sedona compared to other communities in the state for 2006-2009 and that the Commission is trying to get the detailed information. Chairman Martinez indicated that would be helpful. Councilor Surber asked if the public meetings are open for the public to discuss anything or if they are structured. Audree indicated she believes they are just gathering input and will probably answer some questions.

The Councilor indicated that if there is any information the Commission has that is pertinent, even the brochure or a list of what is available like Martina's study and the Developer's Incentives Guidelines, we should also educate at those meetings. Audree indicated she could put some information together like that. The Councilor asked if it gets to questions about housing, is someone going to answer them and Audree explained that she is supposed to attend for that reason, but we don't want any of the Commissions to respond to questions; it is really about gathering information. Commissioner Helen Snyder noted that a public notice was received in the mail.

No legal action was taken.

6. Discussion/possible action regarding a possible ADU informational brochure

Audree Juhlin indicated that the draft brochure was emailed to the Commissioners, but she wanted to get the Commissioners' feedback on it. The brochure includes two sample floor plans, one a little over 600 sq. ft. and another at the maximum of 800 sq. ft. She also made some changes based on Commissioners' comments she received, and if we can come to some agreement, we may have this available for next week or at least have a draft available.

The Chairman referenced the third bullet under Benefits and suggested saying ". . . exchange or reduce rent . . ." Commissioner von Merveldt-Guevara suggested saying "adjust" and the Chairman agreed. Vice Chairman Moriarty indicated it should say "exchange or adjust".

Commissioner Helen Snyder questioned the comment about air pollution and Audree explained that it tries to minimize the commutes from other communities, by having people live closer to their place of employment. The Chairman pointed out that also includes traffic, etc. Commissioner Helen Snyder indicated she understands saying traffic patterns, but she wasn't sure about air pollution. Vice Chairman Moriarty indicated the whole bullet is indefinite and asked how many people even understand "infill development". The Chairman indicated that we may be trying to say that it supports sustainable and green concepts through infill and reduction of driving distances. Commissioner Helen Snyder explained that the air pollution comment made her think there might be more cars, when you have more units in the City, but she didn't think of the commuters. Audree Juhlin explained that is a known benefit of ADUs based on research from the American Planning Association; however, Vice Chairman Moriarty indicated that she wasn't sure that people would make that connection.

Chairman Martinez pointed out that she doesn't know that people are thinking of that as an issue, because when they think of Sedona, they think of clean air; it isn't a big issue and may be a little off-track from what is more well known, but she isn't saying to eliminate the bullet. Commissioner Helen Snyder indicated that saying it allows shorter commutes is less of a leap than saying air pollution. Vice Chairman Moriarty questioned even saying "sustainable land use", what that means and how do ADUs do that; it isn't clear at all. Chairman Martinez indicated that it may support sustainability concepts through infill, etc. Audree Juhlin explained that Vice Chairman Moriarty is

saying that it is too complex to put into a simple bullet. It supports sustainable development in a very large way, but we don't have enough room to make it clear in the brochure.

Chairman Martinez indicated that if the Community Plan is doing to deal with that; it could introduce that in a general way, if we can find language to do that; she isn't saying to omit it. It just needs to be clear and something people can relate to. Commissioner McKendry indicated that if we use the jargon in everyday speech, in the information sessions with the public, and use the words, it is fine. She likes the way it is and wouldn't add any more words, because it would become more verbose. She is fine with sustainable land use, sustainability, green building, etc.; we have saturated that. Vice Chairman Moriarty indicated it is not clear to her as to what you mean by "sustainable land use" and how ADUs promote that. Audree Juhlin explained it is the whole principle of land use, and the point is that it is probably too complex to narrow it down to a bullet.

Chairman Martinez suggested saying support sustainable practices through infill, etc.; however, some Commissioners questioned if people would understand "infill" as well. Councilor Surber pointed out that sustainability is important and needs to be in there; there are many things it affects, such as transportation and use of the infrastructure that is already here, sprawl, etc. Audree added that one of the bigger promotional concepts for ADUs in most communities is sustainability. The Chairman suggested leaving it as "support sustainable concepts"; she is okay with just simplifying it. Vice Chairman Moriarty indicated you might even say, "Support sustainable concepts and reduce commuting time or length of commutes."

Chairman Martinez indicated there is also the benefit in that it supports the economy of Sedona; it was in our original brochure that people tend to support businesses where they live and that is important. Audree Juhlin added that it basically says that people who live in the community shop in the community, which supports the economy; she will put something together.

Commissioner Helen Snyder referenced 5th bullet under Benefits and asked if that is trying to say the elderly, etc. Audree Juhlin explained it is an endless cycle from young people coming into the community to later when their family decreases in size, and it allows them to stay in their home by having the smaller unit. The Chairman suggested saying it provides housing options for residents at different stages. The Commissioner suggested putting examples such as e.g., elderly and young adults, because she was not quite sure what this wording meant.

Commissioner McKendry asked if this was going to part of an outreach plan and Audree Juhlin explained that they would be used in everything. She did have language to say that they allow seniors to age in place, etc. Vice Chairman Moriarty suggested saying "people at various stages". Chairman Martinez added that naming a few examples would be fine; however, Commissioner McKendry expressed concern that it then gets verbose, and we are at maximum wording here.

Audree Juhlin recalled that the first version had no white space, and Commissioner McKendry indicated that she likes this layout, but the picture on the front doesn't look like Sedona. Audree Juhlin explained that we don't have any pictures in Sedona and it requires a signed release from the owner to use a picture of their home. Commissioner McKendry and Chairman Martinez indicated their homes could be used for a picture, because we could do a pencil sketch of an ADU. Audree Juhlin explained that so far, she hadn't been able to get a property owner's approval. Chairman Martinez indicated that it just seems to make people question it, when they can't identify with it. Vice Chairman Moriarty suggested having a picture of a house, and then doing a drawing of where the ADU could go. The Chairman and Commissioner McKendry indicated that they would take pictures of their homes and send them to Audree.

Vice Chairman Moriarty expressed concern that the capacity fee wasn't mentioned; Audree explained that none of the fees were mentioned, because it gets complicated. The Vice Chairman referenced the last statement under Important Considerations and indicated that it makes it sound like if you do that, you are set, but you aren't. Audree suggested adding in the first statement under Important Considerations that fees may be applicable, including a building permit fee, etc. The Vice Chairman indicated that people would assume they have to have a building permit, but when it says larger pumps and piping may be required, it sounds like that is all. Audree noted that the statement doesn't have to be in there; however, the Vice Chairman suggested adding "and half of the capacity fee". Audree explained that something then should be said about the other fees, so they don't think that is the only applicable fee. Vice Chairman Moriarty indicated that most people would know they have to pay a building fee, but especially if they have already paid a sewer capacity fee, they wouldn't know about the one-half of the capacity fee. Audree explained that the building permit fees are being waived for the first year for existing units to come forward.

Chairman Martinez indicated that the biggest question the people have is about the fees, so she wonders if we need to say that prior to February 2011, building fees are half price. Audree clarified that is only applicable for existing units that come forward. Vice Chairman Moriarty repeated her concern about those who have already paid a capacity fee, and Audree asked if she is saying, "For properties on the City sewer system, larger capacity pumps and piping may be required, as well as half of the capacity fee and a monthly sewer fee". Commissioner Helen Snyder suggested just saying that additional fees may apply; however, Vice Chairman Moriarty indicated that people will assume there is a monthly fee, but with the capacity going up so drastically over the years, that is a major factor.

Commissioner McKendry indicated she liked the suggestion of just saying additional fees may apply; Commissioner Helen Snyder interjected, "increased or additional fees may apply". Vice Chairman Moriarty stressed that the one that could make or break it would be the capacity fee, and she thinks we should mention the capacity fee somewhere. Audree Juhlin indicated that she is going to add "and applicable fees" to the end of the first statement in the box under Background. Commissioner Helen Snyder added that in the statement about the sewer/septic systems, it could say, ". . . additional fees, larger capacity pumps . . . may be required". Vice Chairman Moriarty repeated that it should specifically say capacity fees, so Commissioner Helen Snyder suggested saying ". . . additional capacity fee . . ."

Chairman Martinez indicated that when she sees building permit fee in the first statement, she thinks there are going to be fees in each statement, so we might just say check with the HOA, check with the Fire District, and then the property infrastructure. Another category may be what this will cost, and put that out with maybe the building permit fee, sewer system and call. Audree pointed out that we can't give specific fees, just examples of fees. Chairman Martinez indicated she wouldn't give examples, you want them to call. Audree explained that the only thing to say would be that building permit fees, inspection fees and half of the capacity fees are applicable, and we waive the Development Impact Fees. Vice Chairman Moriarty pointed out that the difference is that the building permit fees are variable, but the capacity fee is not.

Commissioner Helen Snyder suggested using a large check mark and just saying "✓ with your HOA", and "✓ for additional fees", etc. Chairman Martinez agreed there could be less verbiage on those, and Audree indicated that is a great idea and fees could be its own category. The Chairman also suggested adding "City of Sedona" to the title and Vice Chairman Moriarty suggested enlarging the City logo in addition to adding those words.

No legal action was taken.

7. Discussion/possible action regarding future meeting dates and future agenda items

Audree Juhlin indicated that the next meeting would be June 7th and she will email the information to the Commission.

Chairman Martinez expressed the Commission's thanks to Councilor Surber who was on the Housing Commission for three years, prior to serving as the Commission's liaison for two years. He did a lot of research and was very instrumental in the Mixed-Use and ADU Ordinances, as well as providing an architect's perspective, so it will be hard not having him here. Councilor Surber indicated there is a lot going on with the Community Plan Update and with the Housing Commission, so he plans to stay involved and provide input.

8. Adjournment

The Chairman called for adjournment at 6:10 p.m., without objection.

I certify that the above is a true and correct summary of the meeting of the Housing Commission held on May 3, 2010.

Donna A. S. Puckett, *Recording Secretary*

Date